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Treasure Island deal set

Ex-New Frontier owner to buy casino

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Former New Frontier owner Phil Ruffin is buying the Treasure Island from MGM Mirage for \$775 million, sources confirmed Sunday night. The deal is expected to be announced today.

Ruffin, a Wichita, Kan., businessman, sold the New Frontier in May 2007 for more than \$1.24 billion to Elad Group. The aging casino was closed in July 2007 and demolished in November 2007.

MGM Mirage officials would not comment on the deal and Ruffin could not be reached. The transaction is a surprise, coming in the middle of the current global credit crisis that has dried up lending markets to the gaming industry. Also, other development projects have stalled, most notably Boyd Gaming Corp.'s \$4.8 billion Echelon, which was shut down in August and may be postponed until 2010.

Ruffin owns the seven acres of land that houses the \$1.2 billion Trump International Hotel & Tower. He is considered a part owner in the 1,282-unit hotel and condominium tower with New York billionaire Donald Trump. He appeared at the property's opening ceremony in April.

MGM Mirage acquired Treasure Island as part of the company's \$6.4 billion purchase of Mirage Resorts in 2000. The pirate-themed casino was opened in 1993 by Steve Wynn at a cost of \$450 million as a sister resort to The Mirage.

Treasure Island has 2,885 rooms, including 220 suites, and a 90,000-square-foot casino.

Under Wynn's ownership, the Strip resort catered to families and featured live-action pirate battles every 90 minutes in Buccaneer Bay at the front of the resort.

MGM Mirage abandoned the family theme in 2003 for a more contemporary adult-oriented theme and marketed itself as TI. "The Sirens of TI" replaced the whimsical pirate battle.

Ruffin paid \$167 million for the New Frontier in 1998 and was seeking an equity partner to help him redevelop the resort and its 36 acres for several years.

However, he was considered the savior of the New Frontier when he acquired the casino from the Elardi family.

The property had been the site of the nation's longest ongoing work stoppage when more than 550 employees, backed by the Culinary Workers Union, walked off the job in September 1991.

The workers spent 2,325 days on the picket line, going back to their jobs at 12:01 a.m., Feb. 1, 1998, when Ruffin took possession of the casino.

The New Frontier was imploded to make way for a planned \$5.7 billion mixed-use development modeled after the Plaza Hotel in New York, which Elad Group owns.

However, the collapsing credit markets have shelved the project.

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